

Dear ASX and ASIC

I wish to draw your **urgent attention** to the following aspect of Cougar Energy as a listed company on the Australian Stock Exchange.

(A) Share Issue while holding damaging company information.

Cougar has been progressively issuing shares to investors during the period 7th July to 14th July 2010.

(see link attached <http://www.asx.com.au/asxpdf/20100714/pdf/31rb7zv4spt57k.pdf>)

During this time, they were in full knowledge of the contamination issue which became news headlines and public on Friday 16th July 2010.

If they had information on that date that a reasonable person would expect to have a material effect on their share price then they were obliged to disclose it in that notice. Further, now that they have become aware that that notice was defective because it was misleading, they are obliged to notify the Australian Stock Exchange (ASX) as well as ASIC.

Links to this share issue are listed below. The timeline of the contamination issue can be confirmed by the Director General DERM, Mr John Bradley as he did at a public meeting here in Kingaroy tonight.

<http://www.asx.com.au/asxpdf/20100714/pdf/31rb7zv4spt57k.pdf>
<http://www.asx.com.au/asxpdf/20100714/pdf/31r9tbwknw9xf5.pdf>

(B) Misleading Information to Shareholders

Further more, advice sheets on the ASX website hosted by Cougar Energy make statements relating to the contamination issue in Kingaroy. One of these statements tabled at a meeting in Kingaroy tonight says that Cougar has contacted all locally affected land holders over the weekend.

At the meeting tonight in Kingaroy, at which all known landholder were in attendance, all land holders who had been contacted by Cougar where asked to stand up. None did so. I can only conclude that no local land holder have been contacted by Cougar Energy.

Other information on their ASX information website suggests a refiring of the plant is immanent. John Bradley (DERM) will be able to confirm that the plant has been shut down pending a thorough and lengthy inquiry into their operation and UCG generally.

Could you please confirm receipt of this letter by informing me of the name of the ASX person who will be handling the matters raised.

Yours faithfully

John Dalton Member of Kingaroy Concerned Citizens Group Phone: 0422 987 290